

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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PREPAID VENTURES, LTD., et al.,

Plaintiffs,

ORDER

-against-

18-CV-2102 (DLI)

PAUL COMPTON, et al.,

Defendants.

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ROANNE L. MANN, UNITED STATES MAGISTRATE JUDGE:

On July 28, 2022, plaintiffs filed a motion for default judgment against defendants Christopher Benson, Paul Compton, Pablo Garcia and ProfitStat, LLC (collectively, “defendants”), seeking damages in the amount of \$125,562,207.00. See Motion for Default Judgment (July 28, 2022), Electronic Case Filing Docket Entry (“DE”) #82. On July 29, 2022, the Honorable Dora L. Irizarry, the District Judge to whom this case is assigned, referred the motion to the undersigned magistrate judge. Following the referral, on September 6, 2022, this Court directed plaintiffs to supplement their initial submissions because plaintiffs had not identified the “causes of action [on which] plaintiffs seek default judgment or the basis for the amount of damages sought.” Order (Sept. 6, 2022), DE #85. The Court directed plaintiffs to supplement their application, *inter alia*, “explaining the factual and legal bases for the damages sought[.]” Id.

Notwithstanding plaintiffs’ supplemental submissions, plaintiffs have still not provided any legal analysis to support their claims of liability and damages. Even though a notation of default has been entered against defendants (DE #72, DE #73), Judge Irizarry has not entered

default judgment on liability, see Order (June 15, 2022); Order (June 16, 2022). Therefore, defendants' default does not establish their liability unless the allegations in the Complaint are "sufficient to state a cause of action against the defendant." Taizhou Zhongneng Imp. & Exp. Co. v. Koutsobinas, 509 F.App'x 54, 56 (2d Cir. 2013). Accordingly, by November 4, 2022, plaintiffs must file further submissions specifically connecting the proposed damages figures to the legal claims on which plaintiffs contend that liability has been established, and setting forth the legal principles applicable to plaintiffs' claims and request for damages (including whether the appropriate plaintiff and/or defendant are named in that claim). In addition, as required by Local Civil Rule 55.2, plaintiffs must submit a proposed form of default judgment. See S.D.N.Y./E.D.N.Y. Local Civ. Rule 55.2(b)(3).

Defendants are directed to show cause, in writing, by November 11, 2022 (with a copy served on plaintiffs' counsel), why the relief requested should not be granted. Defendants are warned that their failure to file a timely response will likely result in a judgment being entered against them.

Plaintiffs are directed to promptly serve a copy of this Order on defendants and to file proof of mailing.

**SO ORDERED.**

Dated: **Brooklyn, New York**  
**October 28, 2022**

/s/ *Roanne L. Mann*

**ROANNE L. MANN**  
**UNITED STATES MAGISTRATE JUDGE**